Steam Heat: A Hot Topic!!

Even though it's hard to think about right now, it will soon be fall and time to get ready to turn the heat back on! We will be opening up the valves and letting toasty warm steam heat up eight of the City's large downtown buildings: the Hult Center, Parcade, Overpark, Atrium, former Sears building, City Hall, the 858 Pearl building and the Conference Center. We are one of about 100 steam customers, large and small, in the downtown core. EWEB has been operating the central steam system since the 1960's, first by burning "hog fuel" (which was waste from wood products industry and is no longer available) and now, natural gas. For us the benefit lies in what we don't have to do-- run and maintain boilers or furnaces to produce the necessary heat.

But there is a downside. Steam is our <u>most expensive</u> energy source. If you convert to common units (Million British Thermal Units or MBTU), then Natural Gas is the cheapest source of heat at about \$8 per MBTU, electricity runs about \$12 per MBTU and steam is the high-cost convenience fuel at \$16 MBTU. And, unfortunately, because the price that EWEB pays for natural gas has increased dramatically, the cost of steam will be going up another 15% this coming winter.

Last year we spent approximately \$195,000 on steam, which came to about 12% of our total utility budget for buildings. The good news/bad news is that last winter was quite a bit milder than usual. Take the vagaries of weather and combine that with the impending rate increase and we could be in for a wild ride on the utility budget side this winter.

We can keep a hold on City steam costs by using the resource as efficiently as possible. The best way to conserve steam is to keep the temperatures within the 70 degree heating guideline, insure that our nighttime setbacks are working properly and let our HVAC technicians know about any problems you may notice. This will help the HVAC technicians to insure that the systems are working as effectively and efficiently as possible.